

**State of New Jersey**

DEPARTMENT OF ENVIRONMENTAL PROTECTION

JON S. CORZINE
*Governor*LISA P. JACKSON
Commissioner

May 10, 2007

7006 0810 0002 1818 9216

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

N L Industries, Inc.
c/o Prentice Hall Corp. System
830 Bear Tavern Rd.
Trenton, NJ 08628

To Whom It May Concern:

RE: Margarets Creek Contamination, Route 35, Old Bridge Twp., Middlesex Co., New Jersey
SRP PI: 434324

The New Jersey Department of Environmental Protection (Department) is charged with responding to the release or threatened release of hazardous substances and with the enforcement responsibilities under the Spill Compensation and Control Act (N.J.S.A. 58:10-23 et seq.). The Department has documented the release of hazardous substances at the above referenced site, located at Block 1 Lots 54.11 and 54.12, Old Bridge Twp., Middlesex Co., New Jersey. Investigative findings indicate that industrial wastes generated by N L Industries, Inc. were disposed of at the subject site.

The enclosed "Request for Information" has been sent to you for your response relative to the activities of N L Industries, Inc. at the subject site. Your response to the "Request for Information" should be postmarked, or received at the below address within fifteen (15) calendar days of your receipt of this letter. The response should be mailed to my attention at the following address:

NJDEP/Division of Remediation Support
Responsible Party Investigations Unit
PO Box 028
Trenton, NJ 08625-0028

Your notarized signature must appear on the enclosed "Certification of Answers to Request for Information", which is to be submitted with the response. Please familiarize yourself with the "Instructions for Responding to Request for Information" and adhere to its guidance in responding. Failure to respond to the "Request for Information" may result in the initiation of enforcement proceedings and the issuance of an Administrative Subpoena (N.J.S.A. 26:1A-47 and N.J.S.A. 13:1D-7.a).



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If at any time in the future you have additional information and/or find that any aspect of the submitted information is false, misleading, or misrepresents the truth, you must notify the Department accordingly. Failure to so amend the response may be construed as concealment.

Should you have questions regarding this letter or the proper procedures for completion of the "Request for Information" you may contact me at 609-633-1165. Your anticipated cooperation in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Beretsky", with a stylized flourish extending from the end.

Robert Beretsky
Responsible Party Investigations Unit

Enclosure
c: File

INSTRUCTIONS FOR RESPONDING TO REQUEST FOR INFORMATION

1. A separate response should be given for each question.
2. Precede each answer with the number of the question to which it is addressed.
3. In answering each question, identify all contributing sources of information.
4. Interpret "and" as well as "or" to include within the scope of the question as much information as possible. If two interpretations of a question are possible, use the one that provides more information.
5. Interpret the terms spill, release and/or discharge to include any intentional or unintentional act or omission resulting in the releasing, spilling, leaking, pumping, pouring, emitting, emptying, dumping or disposal of hazardous substances onto the lands or into waters of the State.
6. If you are unable to give a detailed and complete answer or to provide any of the information or documents requested, indicate the reason for your inability to do so.
7. If you have reason to believe that an individual other than one employed by your company may be able to provide additional details or documentation in response to any questions, state that person's name, address, phone number, and the reasons for your belief.
8. If a document is requested but not available, state the reason for its unavailability. To the best of your ability, identify the document by author, date, subject matter, number of pages, and all recipients of the document with their addresses.
9. For each document produced in response to the "Request for Information", indicate on the document, or in some other reasonable manner, the question to which it applies.
10. If anything is omitted from a document produced in response to the "Request for Information", state the reason for and the subject matter of the omission.
11. If you cannot provide a precise answer to a question, you may approximate, but in any such instance, state the reason why you cannot be more specific.
12. For each individual identified, provide their full name, last known employment, permanent home address and telephone number.

NJDEP REQUEST FOR INFORMATION
SITE: MARGARETS CREEK LEAD CONTAMINATION
ROUTE 35
OLD BRIDGE TWP., MIDDLESEX COUNTY

1. State the proper legal name of NL Industries, Inc. and identify any other name(s) under which it has done business.
 - a. If the company(ies) identified above are or were subsidiaries or affiliates of other corporations or have subsidiaries, identify these related companies.
 - b. Specify the type of organization (corporation, partnership, proprietorship, LLC, joint venture) for each company identified in questions 1 and 1a. As appropriate, identify the state of incorporation or County of registration, and current status for each company identified in questions 1 and 1a.
 - c. State the names, titles, current addresses, and telephone numbers for all past and present officers, partners, managers, etc. of each company identified in Questions 1 and 1a. Provide the exact dates these individuals served as officers, partners, managers, etc..

NOTE: Hereinafter, the name NL Industries shall apply to all entities identified in Questions 1 and 1a.

2. Describe how NL Industries became involved with the subject site (i.e. direct contact with parties operating the site, advertisements, third party sources, prior knowledge of disposal activities at the site, etc.).
3. Identify the owner(s) and operator(s) of the subject site during the period that NL Industries' waste materials were disposed of at the site.
 - a. Provide copies of all contracts, permits, licenses, agreements, leases, etc. that relate to NL Industries' disposal activities at the site.
 - b. Provide the name(s), address(es), telephone number(s), employer and job titles of all site representatives who were responsible for accepting NL Industries waste material.
4. Identify each person (e.g. company, individual, partnership, etc.) having knowledge of the facts relating to the disposal of any waste material at the subject site from the 1930s to date. For each person identified, please provide the name, address, telephone number, and the basis of your belief that he or she has such knowledge. For past and present NL Industries employees include their job title and a description of their responsibilities.

5. In detail, describe all the "waste materials" that were generated by NL Industries and disposed of at the site. Please provide the following when responding:
- a. The specific department, division, associate, affiliate, subsidiary, etc. that produced the waste material.
 - b. Describe all processes associated with the production of the waste material. Identify all raw materials, catalysts, feed stocks, etc. used for each activity and process. Provide the proper chemical name, CAS number, trade name (if applicable), and hazardous characteristics (i.e. explosive, flammable, toxic, radioactive, etc.) for each substance identified above. Provide copies of Material Safety Data Sheets (MSDS) and Right to Know survey reports for each substance.
 - c. Describe all waste materials generated from each activity and process described in Question 5b that were disposed of at the subject site. Provide a detailed description of all waste material disposed of at the site including color, texture, physical state, (solid, liquid, gas, sludge, etc.), odor, known or probable chemical constituents, and hazard characteristics (ie. explosive, flammable, toxic, radioactive, etc.). Indicate whether any of the waste material shipped to the subject site was a hazardous waste as defined by N.J.A.C. 7:26-8 and/or contained hazardous substances as defined by N.J.S.A. 58:10-23.11 et seq. Identify any specific hazardous substances that you have reason to believe were in any materials disposed of at the subject site.
 - d. Specify the dates the waste materials were shipped to the subject site for disposal.
 - e. Indicate the quantity of all waste material disposed of at the site.
 - f. Indicate whether the waste material disposed of at the site was containerized and describe the specific types of containers.
 - g. Identify the location at the subject site where each type of waste material was disposed of.
 - h. Identify all parties (include telephone numbers and current or last known address) that were contracted by NL Industries to transport waste materials to the subject site. Include all instances when NL Industries vehicles were used to transport waste material to the subject site for disposal. Provide copies of all documents (including but not limited to: manifests, bills of lading, trip tickets, disposal tickets, correspondences, etc.) for each waste shipment.

6. Provide a chronological history of known spills/releases/discharges of hazardous substances during NL Industries' use of the site. Provide a description of each incident including duration, location, substances involved and quantity of material spilled/released/discharged.
7. Identify all other parties (other than NL Industries) that generated waste materials disposed of at the subject site.
8. Identify all other parties (other than NL Industries) that transported waste materials for disposal at the subject site.
9. To the best of your ability, identify and describe all activities conducted at the site prior and subsequent to NL Industries' use of the site.
10. Submit the names of all representatives, employees, or contractors of NL Industries who have knowledge of operations at the subject site. Identify each such person or company by name, address and telephone number. Include their job title, a description of their responsibilities, and the years they were associated with or employed by NL Industries.
11. Describe any relationship or knowledge NL Industries has had with the following individuals or companies. To the best of your ability, provide the current or last known address(es) and telephone number (s) for each:
 - a. Liberty Trucking Company
 - b. Twin Anchors Marine Basin
 - c. Almasi
 - d. Stardrive, Inc.
 - e. Lebar Co., Limited
 - f. Cifelli Associates
 - g. J.J. Cullen
12. Provide copies of all reports relating to the subject property. Specific documents requested include, but should not be limited to: internal inspection reports; regulatory compliance inspection reports; contractor generated reports; reports regarding the renovation, expansion or demolition of on-site structures; and all analytical data collected to date.
13. Identify all other locations at which waste materials as described in Question 5 were disposed of. For each location, indicate the legal address, block and lot designation, the name of the current property owner and the name of the property owner at the time disposal occurred. Identify all parties that were responsible for transporting the waste material to each location.

14. State whether there exists any agreement or contract (other than an insurance policy) which may indemnify NL Industries or its past and present officers against any liability that may result under the New Jersey Spill Compensation and Control Act for any release or threatened release of hazardous substances that may have occurred due to activities at the subject site. If so, please provide a copy of the agreement or contract. Identify any agreement or contract that you are unable to locate or obtain.
15. State whether an insurance policy has ever been in effect which may indemnify NL Industries or its past and present officers against any liability that may result under the New Jersey Spill Compensation and Control Act for any release or threatened release of hazardous substances that may have occurred due to activities at the subject site. If so, please provide a copy of the policy. Identify any policy that you are unable to locate or obtain by the name of the carrier, years in effect, nature of coverage and related information.

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

STATE OF _____

COUNTY OF _____

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to NJDEP, Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate, and complete and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

NAME (PRINT OR TYPE)

TITLE (PRINT OR TYPE)

SIGNATURE

SWORN BEFORE ME THIS _____

DAY OF _____, 20 _____

NOTARY PUBLIC



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Division of Remediation Support
Oversight Resources Allocation Element
Office of Accountability
401 East State Street, 5th Floor West
P.O. Box 028
Trenton, NJ 08625-0028
Fax: (609) 633-1439

JON S. CORZINE
Governor

LISA P. JACKSON
Commissioner

JUL 20 2007

CERTIFIED MAIL/RRR

No **7005 1160 0000 3684 7497**

N L Industries, Inc.
5430 LBJ Freeway
Suite 1700
Dallas, Texas 75240-2697

No **7005 1160 0000 3684 7480**

N L Industries, Inc.
Prentice Hall Corp. System
830 Bear Tavern Road
Trenton, NJ 08628

REGULAR MAIL

Twin Anchors Marine Basin, Inc.
C/o Claire Ludwig
PO Box 9
12 Liberty Street
Fords, NJ 08863

Liberty Trucking Company
C/o Claire Ludwig
PO Box 9
12 Liberty Street
Fords, NJ 08863

RE: DIRECTIVE AND NOTICE TO INSURERS

PI#: PEA070001 - 434324

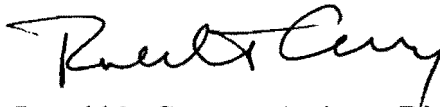
Dear Sir & Madam:

There is enclosed for service upon you a Directive and Notice to Insurers issued by the New Jersey Department of Environmental Protection ("the Department").

N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company shall communicate their response to the Department in writing pursuant to N.J.A.C. 7:26C-4.2(g) within the timeframe set forth in this Directive.

If you would like to discuss this matter, please contact Megan Brunatti of my staff at (609) 984-2462.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald T. Corcory". The signature is fluid and cursive, with the first name "Ronald" being more prominent and the last name "Corcory" following in a similar style.

Ronald T. Corcory, Assistant Director

Cc: Edward Putnam, Remedial Response Element
Fred Mumford, Remedial Response Element
Megan Brunatti, OA



State of New Jersey
DEPARTMENT OF ENVIRONMENTAL PROTECTION

JON S. CORZINE
Governor

Division of Remediation Support
Office of Accountability
401 East State Street, 5th Floor West
P.O. Box 028
Trenton, New Jersey 08625
(609) 633-1464 Fax: (609) 633-1439

LISA P. JACKSON
Commissioner

DIRECTIVE AND NOTICE TO INSURERS

EA ID #: PEA070001 - 434324

Site Name: MARGARETS CREEK/LAURENCE HARBOR SEA WALL AREA
Respondent: NL INDUSTRIES, TWIN ANCHORS MARINE BASIN, INC., AND
LIBERTY TRUCKING COMPANY
Location: Rt 35
Old Bridge Twp, New Jersey 08879
Identifying #: 434324

This Directive and Notice to Insurers is issued pursuant to the authority vested in the Commissioner of the New Jersey Department of Environmental Protection (hereinafter "the Department" or "NJDEP") by N.J.S.A. 13:1D-1 et seq. and the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., and duly delegated to the Assistant Director of the Oversight Resources Allocation Element within the Division of Remediation Support pursuant to N.J.S.A. 13:1B-4. This Directive and Notice to Insurers is issued in order to notify the above-captioned Respondents that the Department, pursuant to the Spill Compensation and Control Act, has determined that it is necessary to cleanup and remove discharges, and in order to notify the Respondents that the Department believes them to be responsible for the discharges.

FINDINGS

1. The Margarets Creek/Laurence Harbor Sea Wall site occupies at least 60 acres off of Rt 35 and is also known as Block 1, Lots 54.11, 54.12, 50, and 49 on the Tax maps of Old Bridge Township, Middlesex County (hereinafter "the Site"). The Site, and all other areas to which any hazardous substances discharged on the Site have migrated, are collectively referenced hereinafter as "the Contaminated Site".
2. N L Industries, Inc., is a New Jersey Corporation with principal offices located at 5430 LBJ Freeway, Suite 1700, Dallas, Texas.

3. Liberty Trucking Company was a New Jersey Corporation which was dissolved in 2005, and had principal offices located at 428 Elizabeth Avenue, Somerset, New Jersey.
4. Twin Anchors Marine Basin, Inc., was a New Jersey Corporation which was dissolved in 1989, and had principal offices located at 12 Liberty Street, Fords, New Jersey.
5. Twin Anchors Marine Basin, Inc., acquired the properties composing the site under separate transactions dated April 4, 1960 and June 26, 1961, and owned them until in or about 1986.
6. Liberty Trucking Company was associated with Twin Anchors Marine Basin, Inc. based on similarity in management. Specifically, several individuals held management positions in both companies.
7. Liberty Trucking Company transported and disposed of waste materials containing lead and possibly other contaminants at the Site during the 1970s.
8. N L Industries, Inc., used battery plates from lead/acid storage batteries as the principal feed material for the blast furnace located at its plant in Perth Amboy, New Jersey.
9. In September 1972, the NJDEP was advised that lead bearing waste material was being disposed of along the Laurence Harbor beach front on Raritan Bay.
10. By letter to NJDEP dated December 7, 1972, N L Industries, Inc. acknowledged that "[s]lag which consists of non-recoverable low yield metallic waste from blast furnace and blast furnace rubble are disposed of by Liberty Trucking Company at their property in Madison Township, Route 35, New Jersey." Madison Township is now known as Old Bridge Township.
11. A portion of the Site known as Block 1, Lot 54.11 was proposed for acquisition by the State of New Jersey under the Green Acres Program. During the preliminary assessment phase of the Green Acres review process, historical aerial photos revealed the filling of approximately twenty acres of the Site in 1974.
12. On December 13, 2006, a limited site investigation was conducted to visually characterize fill material via excavation of test pits. Waste materials were evident in numerous locations across the surface of the site, including large quantities of what appeared to be shredded automotive battery casings and refractory brick and slag.
13. On March 4, 2007, the NJDEP collected soil samples at the portion of the Site known as Block 1, Lot 54.11. Lead was detected with concentrations above the unrestricted use and restricted use Soil Cleanup Criteria (400ppm/600ppm) with a concentration range of 701 ppm to 146,000 ppm.

14. The Department has determined that it is necessary to conduct additional soil sampling in and around the area of the sea wall along the Raritan Bay in order to determine the extent of the contamination in that area.
15. To cleanup and remove the discharges the Department has determined that it is necessary to conduct a Departmentally approved remedial investigation at the Contaminated Site in order to fully determine the nature and extent of the problem presented by the discharges. Upon completion of the remedial investigation, it will be necessary to implement a remedial action to address the discharges at the Site.
16. The substances referenced in the paragraph(s) above are hazardous substances pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11b.
17. N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company are responsible for the discharges of hazardous substances at the Site which were discharged to the lands and waters of the State.
18. Pursuant to N.J.S.A. 58:10-23.11g.c., N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company are strictly liable, jointly and severally, without regard to fault, for all cleanup and removal costs.
19. Pursuant to N.J.S.A. 58:10-23.11f., whenever any hazardous substance is discharged, the Department may, in its discretion, act to clean up and remove or arrange for the cleanup and removal of such discharge, or may direct any person in any way responsible for the hazardous substance to clean up and remove, or arrange for the cleanup and removal of the discharge.

DIRECTIVE

20. The Department hereby directs N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company to pay the Department \$75,000 for the Department to collect samples at the Contaminated Site in order to evaluate potential impact to public health and the environment.
21. N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company must reply to the Department pursuant to N.J.A.C. 7:26C-4.2(g), regarding its decision to comply with this Directive and Notice to Insurers, within thirty (30) calendar days after N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company's receipt of this Directive and Notice to Insurers.

NOTICE

22. If N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company fail to pay the Department the amount set forth above, the Department may

commence suit against N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company seeking reimbursement for all costs incurred.

23. Failure to comply with this Directive and Notice to Insurers will increase N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company's potential liability to the Department in an amount equal to three (3) times the cost of arranging for the cleanup and removal of the discharge and may cause a lien to be placed on N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company's real and personal property pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11f., including a first priority lien on the property subject of the discharge.
24. Pursuant to N.J.S.A. 58:10-23.11u., the Department may issue an order to require compliance with the Spill Compensation and Control Act. Failure by the N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company to comply with this Directive may result in the issuance of an order by the Department, which will subject each N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company to penalties of up to \$50,000 per day and each day of violation constitutes an additional, separate and distinct violation of the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.

RESERVATION OF RIGHTS

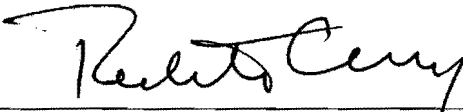
25. In the event that the costs of completing the activities described in this Directive and Notice to Insurers exceed the current estimates, the Department reserves the right to direct N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company to pay such costs and to seek full reimbursement and damages for all such costs. In the event that the costs of completing the activities described in the Directive and Notice to Insurers are less than the estimate specified above, the Department will rebate the unexpended funds to those parties that complied with the Directive and Notice to Insurers on a proportional basis.
26. The Department reserves the right to direct the N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company to take or arrange for the taking of any and all additional remediation which the Department determines to be necessary to protect the public health and safety or the environment and to seek full reimbursement and treble damages for all costs incurred in taking such additional remediation.
27. N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company are advised that the discharges referenced in this Directive and Notice to Insurers may also constitute violations of the Water Pollution Control Act, N.J.S.A. 58:10A-1 et seq., and the Solid Waste Management Act, N.J.S.A. 13:1E-1 et seq., and that N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company may, therefore, be subject to the penalties prescribed for violations of these

Acts. The Department reserves all rights and remedies under those Acts as well as any other rights and remedies under any applicable law.

NOTICE TO INSURERS

28. BE ON NOTICE THAT, pursuant to N.J.S.A. 58:10-23.11s., any claims for costs of cleanup or civil penalties by the State and any claim for damages by any injured person, may be brought directly against the bond, insurer or any other person providing evidence of financial responsibility. N L Industries, Inc., Twin Anchors Marine Basin, Inc., and Liberty Trucking Company are therefore urged to contact such insurers and notify them of the issuance of this Directive and Notice to Insurers.

Date: 7-20-07



Ronald T. Corcory, Assistant Director
Oversight Resources Allocation Element